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## PALADIN LAW GROUP® LLP

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April 18, 2014

### ***Via E-Mail***

Stephen Berninger  
U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

Re: Supplemental 104(e) Request for Information to Angeles Chemical Co, Inc.  
Omega Superfund Site: 8915 Sorenson Avenue, Santa Fe Springs, CA

Dear Mr. Berninger:

This letter is Angeles Chemical Company, Inc.'s ("Angeles") amended response to EPA's supplemental request for information dated November 27, 2013 pursuant to CERCLA Section 104(e) regarding 8915 Sorenson Avenue, Santa Fe Springs, California (the "Property"). In its previous response, Angeles objected to certain requests and asked EPA to reconsider whether the intrusively private and confidential information requested was really necessary in light of Angeles's minimal contribution to the overall Omega Superfund Site. EPA declined to reconsider, insisting that Angeles amend its responses to provide the withheld information.

Through this information request, EPA is asking Angeles to produce six years-worth of corporate tax returns and detailed insurance information. There is no question that this information is private and confidential. Therefore, EPA has assured Angeles that it will treat the attached information as private and withhold the information from the general public on that basis, consistent with its obligation under the Privacy Act, 5 U.S.C. section 552a, and related EPA regulations. The attached documents have all been labelled "private" and "confidential." If there is anything further that Angeles needs to do to ensure the attached information receives appropriate privacy protection, please inform us immediately.

In your April 3, 2014 e-mailed correspondence to me, you indicated that EPA would be willing to meet with us to discuss Angeles's alleged liability once it has been able to analyze the information that we now provide. We reiterate our request for that meeting. There is no evidence that Angeles's operations contributed significantly, if at all, to OU-2 of the Omega Superfund Site. In fact, the available evidence is to the contrary. Thus, it seems to us premature, at best, to be gathering intrusive private financial information about Angeles's ability to contribute to a cleanup for which there is no evidence of liability. If EPA believes evidence of Angeles's liability exists, then we would greatly appreciate the opportunity to meet with you and discuss it.

The following are Angeles's amended responses to EPA's requests:

1. State the full legal name, address, telephone number, positions(s) held by, and tenure of, the individual(s) answering any of these questions on behalf of Angeles Chemical Co., Inc. concerning the matters set forth herein.

**Response to No. 1:**

John G. Locke, through Paladin Law Group® LLP, 3 W. Carrillo Street, Suite 212, Santa Barbara, CA 93101, (805) 898-9700. Mr. Locke has held the position of President since the creation of Angeles Chemical, which began in 1972.

2. Provide a copy of the company's federal income tax return (IRS Form 1120 or 1120S) for the years 2007-2012, as filed with the Internal Revenue Service, signed and complete with all schedules and attachments, including all Schedule K-1 for S-Corporations. If any 2007-2012 tax return was amended or audited, please provide complete copies of the amended return in addition to the original return.

**Response to No. 2:**

Angeles's corporate tax returns for the years 2007 through 2012 are attached. These documents are marked "Private" and "Confidential." Angeles would consider disclosure of these documents an invasion of its privacy. Please treat these documents as private in accordance with the Privacy Act, 5 U.S.C. section 552a, and related EPA regulations. Please inform us immediately if anything further is required of Angeles to ensure that these documents are not disclosed.

3. With respect to Question 2(e) in your August 29, 2013 104(e) response, you state that Great American has denied coverage based on exhaustion of funds. Provide information which explains this denial of coverage and exhaustion of funds, including information regarding claims submitted by Angeles prior to May 12, 2012 and the outcome. Provide a description and the amounts of all insurance proceeds paid to Angeles, and provide information as to how the insurance proceeds have been spent or are planned to be used.

**Response to No. 3:**

In previous litigation regarding the Property, *Angeles Chemical Co, Inc., et al. v. McKesson Corporation, et al.* (U.S.D.C., Central District of California, Case No. CV 01-10532-TJH (MCx)), McKesson Corporation ("McKesson") filed counter-claims against Angeles, for which Great American was providing a defense along with Fireman's Fund Insurance Company. McKesson also filed cross-claims against Robert Berg, Donna Berg, Pearl Rosenthal and the Estate of Arnold Rosenthal, some of Angeles's former shareholders, directors and employees. The Bergs and Rosenthals then filed cross-claims against Angeles, for which Great American and Fireman's Fund were also providing a defense. Great American and Fireman's Fund reached settlements with

McKesson [PROP-C-Controlled/Proprietary] and with the Bergs and Rosenthals ([PROP-C-Controlled/Proprietary]). None of those funds were paid to Angeles. Both insurers now claim that those settlements exhausted their policy limits.

4. With respect to Question 2 of your August 29, 2013 104(e) response, state whether you have now provided all of the information requested. Please note that the list of insurance policies to be provided is not limited to those that are still in existence, or which have not yet been exhausted. In addition, your response should include a description of the insured's efforts to file any claims relating to soil and/or groundwater contamination at the Property, under each policy, as well as the outcome of such efforts. To the extent that any additional information is available, provide it.

**Response to No. 4:**

In the previous *McKesson* litigation, referenced above, settlements were reached with several insurers in a settlement placed under seal by Judge Percy Anderson of the Central District Court. These settlements apply to several cases and are in the nature of "buy back" agreements that eliminate the potential for coverage under the identified policies. The associated settlement agreement is confidential and Angeles is contractually obligated to maintain that confidentiality. The information represents confidential business information for the insurers involved, and it represents private financial information for Angeles and Mr. Locke, the disclosure of which Mr. Locke would consider an invasion of his personal privacy. Having notified the insurers of your request, however, and hearing no objections, Angeles has attached a copy of the written settlement agreement with the understanding that EPA will treat this document as private pursuant to the Privacy Act, 5 U.S.C. section 552a, and related EPA regulations. The agreement is marked "Private" and "Confidential." Please let us know if there is anything further required of Mr. Locke to prevent the disclosure of this document.

Other than the policies Angeles has identified in previous responses and the policies identified in the attached settlement agreement, Angeles is aware of no other insurance policies that are responsive to EPA's request.

5. With respect to Question 3 in your August 29, 2013 104(e) response, you state that Angeles received two installments in connection with the McKesson Settlement Agreement totaling approximately [PROP-C-Controlled/Proprietary]. Regarding the remaining settlement proceeds, state which individuals and/or entities were recipients, the amount(s) allocated, and provide information as to how the settlement proceeds have been spent or are planned to be used.

**Response to No. 5:**

The remaining proceeds were disbursed directly to counsel for attorney's fees and litigation expenses and to Greve Financial Services, Inc. for litigation expenses and previously incurred response costs.

6. With respect to the January 31, 2001 Agreement entered between Greve Financial Services, Inc. and Angeles provided with your August 29, 2013 104(e) response, state whether Angeles received proceeds

from Greve Financial Services, Inc.'s sale of the Property pursuant to the conditions set forth in paragraph 8. If the answer is "yes," provide the amount(s) and date(s) of payment, and describe how the proceeds have been spent or are planned to be used.

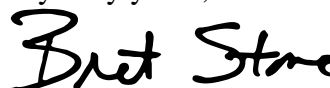
**Response to No. 6:**

No. Greve Financial Services, Inc. did not sell the property, but rather it was "foreclosed" upon by the current owner, Fernal Properties, Inc., for non-payment of an alleged promissory note secured by the Property. Greve subsequently declared bankruptcy and dissolved. Note, however, that the previous owner and sole shareholder of Greve, Joseph Kennedy, is also the current owner and sole shareholder of Fernal. Angeles believes that the promissory note and subsequent foreclosure were a deliberate and fraudulent scheme to avoid Greve's obligations in its real estate purchase agreement with Angeles. Nonetheless, with respect to Question 6 the result is the same – Angeles received nothing from that ownership transfer.

If you would like to discuss this matter in further detail, please do not hesitate to call.

Very truly yours,

By:

A handwritten signature in black ink that reads "Bret Stone". The signature is written in a cursive, slightly stylized font.

Bret A. Stone  
PALADIN LAW GROUP® LLP

cc: client